



**ARIZONA READY EDUCATION COUNCIL
K-20 EDUCATION FUNDING TASKFORCE**

**March 23, 2012 @ 2:00 pm
1700 W. Washington
Governor's 2nd Floor Conference Room
Phoenix, AZ 85007
Meeting Notes**

Members Present: Dr. Craig Barrett, Colleen Niccum, Tim Carter, Susan Carlson, Chuck Essigs (telephonic), Alan Maguire, Jay Kaprosy, Hugh Hallman, Stacey Morley, Onnie Shekerjian and Doreen Zannis.

Members Absent: Dr. Michael Kearns, Dr. Tom Anderes, and Jaime Molera

Staff Present: Dale Frost, Rebecca Gau and Debra Raeder-Gay

1. Call to Order, Welcome & Introductions

Dr. Barrett called the meeting to order at 2:04 p.m., provided welcoming remarks and asked members and guests present to introduce themselves.

2. Review & Discussion: Charter School Finance 101

Jay Kaprosy provided a brief overview and engaged in discussion with the Taskforce on the charter school funding structure. Charter schools calculate M&O funding in a similar manner as school districts; funding is fungible and may be spent on M&O or capital needs without restrictions; charter schools do not have access to property taxes, bonds, or overrides, or the school facilities board; have same responsibilities for reporting, special education, student assessment, etc.; and are funded on current year student counts. Mr. Kaprosy indicated that there is a disparity of funding between district and charter schools with charters receiving less funding per student. Mr. Kaprosy also discussed capital inequities.

3. Review & Discussion: K-12 Funding

Whitney Chapa and Chuck Essigs provided additional detailed information on the K-12 funding structure for both district and charter schools; reviewed information on disparity of funding by school size and location; small school support; and other expenditures. Information and comparisons were reviewed on expenditures by districts and charters. The taskforce had extensive review and discussion regarding the district/charter summary of financial data.

4. Review & Discussion: ABEC School Finance Reform Proposal/Tax Implication

Susan Carlson provided a more detailed overview and engaged in discussion with the Taskforce on the ABEC School Finance Reform Proposals. The next steps proposed by ABEC include: Complete the school finance model with a variety of scenarios to establish a per pupil funding level; vet the school finance system with a variety of stakeholders; cost out the entire system (set of proposals); identify necessary tax rate to enable phased in implementation; articulate the vision for achieving higher expectations and a school finance that can support research-based strategies; and advocate for tax reform.

5. Review & Discussion: Quality Education and Performance Fund Ballot Initiative

Ann-Eve Pedersen provided a more detailed overview and engaged with the Taskforce on what is now a ballot initiative. This initiative would, according to Ms. Pedersen, provide: \$10 million a year for the statewide longitudinal database system; funding for the implementation of the common core standards; funding to support reforms that are coming online in the next two years; create a statewide performance fund that holds \$90 million a year in abeyance unless it is earned by school districts and charter schools; tie funding to performance metrics for the university and community college systems; and tie funding to performance metrics for the JTEDs.

6. Review & Discussion: NGA Policy Academy Reallocating Resources for High Academic Performance

Debra Raeder-Gay provided an update on the Governor's Office of Education Innovation's application to participate in the NGA Policy Academy Reallocating Resources for High Academic Performance. This academy is designed to help states engage in discussions and analyses about how best to reallocate state resources in supporting increasing educational performance and efficiency; and to create a plan for implementing recommendations on resource allocations. Four states will receive \$10,000 to facilitate in-state meetings, conduct analysis and compile a plan to implement the recommendations. The goal is to utilize this opportunity to help the Taskforce craft recommendations for funding reform.

7. Taskforce Comments & Next steps

Based on the discussion, Dr. Barrett recapped next steps for the Taskforce:

- Analyze structures that impact teacher effectiveness.
- Discuss a work plan
- Next steps for moving recommendations to the Council.

8. Call to the Public

There were no requests from the public to address the Taskforce members.

9. Adjourn

With no further business, Dr. Barrett adjourned the meeting at 4:12p.m.